

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2507 - SB 2618

March 7, 2022

SUMMARY OF BILL: Requires the Department of Mental Health and Substance Abuse Services (DMHSAS) to use federal funds received for the treatment of COVID-19 to purchase COVID-19 resource kits for indigent individuals. States that DMHSAS will promulgate rules to create a process for the request and distribution of the resource kits.

FISCAL IMPACT:

Increase State Expenditures - \$54,367,900/FY22-23 and Subsequent Years

Other Fiscal Impact - COVID-19 federal funds that were previous allocated to Department of Mental Health and Substance Abuse Services by the Substance Abuse and Mental Health Services Administration cannot be used for the purpose of the proposed legislation. Therefore, federal COVID-19 funds would have to be reallocated from other sources.

Assumptions:

- Pursuant to the proposed legislation, each resource kit must include a digital thermometer, a pulse oximeter, an N-95 mask, alcohol-based hand-sanitizers, gloves and first line agents contained in the Front Line COVID-19 Critical Care Alliance (FLCCCA) I-MASK+ Prevention and Early Outpatient Treatment Protocol for COVID-19. The estimated cost of each kit is \$78.
- According to the United States Census Bureau, there were 2,169,566 individuals in Tennessee in 2019 that were below 200% of the federal poverty level.
- According to information provided by DMHSAS, it is anticipated that 30 percent of eligible individuals will request a resource kit, or approximately 650,870 (2,169,566 x 30%) individuals. This would create an increase in expenditures of \$50,767,860 (650,870 x \$78)
- According to information provided by DMHSAS, they have no prior experience in warehousing or distributing, nor do they have the logistic capabilities necessary to accomplish the proposed legislation. Therefore, DMHSAS will be required to contract with an outside entity, which is anticipated to cost approximately \$3,600,000.
- The total increase in state expenditures will be approximately \$54,367,860 (\$50,767,860 + \$3,600,000).
- COVID-19 grant funding allocated to DMHSAS by the Substance Abuse and Mental Health Services Administration can only be used for the prevention and treatment of

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persons with a behavioral health or a substance abuse disorder because of the pandemic. Therefore, other federal COVID-19 funds would have to be appropriated to DMHSAS for implement the proposed legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/cd